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March 19, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Application of Blue Granite Water Company for Approval to Adjust Its Rate
Schedules and Increase Rates
Docket No. 2019-290-WS

Dear Ms. Boyd:

This firm represents Blue Granite Water Company ("Blue Granite") in the referenced proceeding. I am writing to respond to Commission Order No. 2020-240 issued on March 18, 2020 in this docket.

Blue Granite shares the Commission's concerns about the impacts of the COVID-19 epidemic on its customers in South Carolina. That concern is reflected in the action of Blue Granite, as an operating company of the Corix Group, to suspend non-payment disconnections on March 10, 2020 (see Exhibit A), several days before Governor McMaster's request referenced in Order No. 2020-240. Blue Granite also shares the Commission's concerns about the economic impact of the epidemic on its customers. That concern leads Blue Granite to propose an alternative plan to the Commission's proposal in Order No. 2020-240. We believe that this alternative plan addresses the concerns expressed by the Commission while avoiding complex legal issues raised by other approaches.

Blue Granite proposes that the Commission proceed with deciding the issues in Docket No. 2019-290-WS as required by the statutory deadline of S.C. Code Ann. §58-5-240(C), (D) and (E). After six night hearings, four days of testimony in the contested case proceeding, and the submission of three different proposed orders, this case is ready to be decided. We think the Commission should proceed with rendering its decision. Following the decision, the Commission would issue its final order and address any petitions for rehearing or reconsideration in due course. In the meantime, Blue Granite would commit to not putting new rates into effect until September 1, 2020. That delay would provide a period of approximately four months before any rate increases would take effect. Our proposal to delay the effective date of the new rates is not conditioned on any particular outcome in this proceeding; whatever rates are set by the Commission in this docket will not be put into effect until September 1, 2020.



Blue Granite's proposal would allow this case to be completed and decided in accordance with the statutory deadlines without requiring that the parties, the Commission, or the courts address the complex legal questions relating to whether statutory deadlines can be waived or suspended.

Our proposal would also allow the issues to be decided in an orderly fashion prior to the expected installation of new Commissioners on July 1, 2020. At present only three Commissioners who attended the various hearings in this matter are either running for re-election or hold seats for which the terms do not expire this year. Because Commissioner Williams was on leave, he is not able to participate in deliberations or vote on the issues in this proceeding. See S.C. Code Ann. §58-3-225(A). The same provision would prevent any new Commissioners from voting in this case. The three remaining Commissioners would not constitute a quorum for purposes of conducting business (see S.C. Code Ann. §58-3-90). Thus, delaying a decision in this case would raise substantial questions as to whether the entire proceeding would have to be restarted.

The parties to this proceeding have invested substantial time and resources in preparing and trying this case and deserve to have the case decided without delay. It is also important that the case involves the recovery in rates of capital expenditures by Blue Granite in the amount of \$23 million, in addition to \$2.8 million in sums it has been required to pay to third-party providers for bulk water and wastewater treatment services. Blue Granite made these investments in a good faith effort to meet its public service obligations, and it is important and appropriate that Blue Granite get a timely decision from the Commission even if there is a delay in implementing new rates.

While it is undeniable that the COVID-19 epidemic presents real difficulties for Blue Granite customers, the Blue Granite plan that we are proposing provides a significant delay in implementation of the new rates while allowing for the orderly disposition of the issues presented in this case. For these reasons, we urge the Commission to approve the plan presented in this letter.

Yours truly,

Frank R. Ellerbe, III

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cc: Parties of Record (via email)
Donald H. Denton, President (via email)
Dante Destefano, Financial Planning & Analysis Manager (via email)

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FOR IMMEDIATE RELEASE**CORIX ANNOUNCES SUSPENSION OF WATER SHUTOFFS**

Delinquent Accounts Will Not Be Cut and Suspended Accounts Restored

March 10, 2020

Chicago – Catherine Heigel, Executive Vice President and Chief Operating Officer for Corix Regulated Utilities (Corix), has announced that Corix will be suspending water service shutoffs for delinquent payments in all its U.S. and Canadian business units, except in Alaska, effective immediately. Additionally, the company will begin reconnecting service to those customers who are currently not receiving water service due to lack of payment on delinquent accounts.

“At a time when the personal safety of our customers and their communities depends on proper sanitation more than ever, it is a simple decision for us,” said Heigel. “Hand-washing, surface cleaning and all other measures recommended by the Centers for Disease Control (CDC) to mitigate the impact of COVID-19 are dependent on a safe and reliable source of potable water,” she added.

Corix Regulated Utilities operates water and wastewater systems in 18 states in the U.S. and 2 provinces in Canada under a range of different local business names.

Customers impacted by this decision will be notified as quickly as possible and reconnections will begin promptly. Heigel indicated that the policy will remain in effect until at least March 30 and will be reevaluated at that time in light of the prevailing COVID-19 conditions in North America.
